

Message Text

LIMITED OFFICIAL USE

PAGE 01 LA PAZ 07645 242003Z

21

ACTION EB-07

INFO OCT-01 AF-08 ARA-06 EA-07 EUR-12 NEA-10 IO-13 ISO-00

FEA-01 INT-05 OES-06 GSA-01 COME-00 TRSE-00 CIAE-00

DODE-00 INR-07 NSAE-00 PA-01 USIA-06 PRS-01 SP-02

/094 W

----- 110689

R 241945Z SEP 76

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 2501

INFO AMEMBASSY JAKARTA

AMEMBASSY LONDON

AMEMBASSY KUALA LUMPUR

AMEMBASSY BANGKOK

AMEMBASSY KINSHASA

LIMITED OFFICIAL USE LA PAZ 7645

E.O. 11652: N/A

TAGS: EMIN BL

SUBJ: TIN THE ITC AND TUNGSTEN

REF: LONDON 14947

1. SUMMARY. GOB OFFICIAL S INDICATE INTENT TO PROPOSE INCREASING BUFFER STOCK OPERATING PRICE RANGE AT NEXT MEETING OF ITC. THERE IS LITTLE KNOWLEDGE AND NO APPARENT CONCERN REGARDING APPOINTMENT OF NEW CHAIRMAN TO ITC ADMINISTRATIVE COMMITTEE. MEETING OF TUNGSTEN ASSOCIATION IS IMMINENT AND BOLIVIAN PRIVATE MINER SAYS MEETING WILL SUPPORT UNCTAD REPORT. END SUMMARY.

2. A HIGH LEVEL OFFICIAL OF BOLIVIAN MINISTRY OF MINES TOLD MINATT THAT AT MEETING OF INTERNATIONAL TIN COUNCIL (ITCL) ON OCTOBER 12, THE GOB WILL SUPPORT RAISING THE BUFFER STOCK PRICE RANGE CEILING (MUST SELL) TO 1,300 AND FLOOR PRICE (MUST BUY) TO 1,100 MALAYSIAN DOLLARS PER PICAL. APPARENTLY BOLIVIANS HAVE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LA PAZ 07645 242003Z

BEEN REASONABLY SATISFIED WITH RELATIVELY STABLE PRICES FOR TIN

IN PAST FEW MONTHS. HE EXPLAINED THAT PRICE EFFECT FOR CONSUMERS WOULD PROBABLY BE ABOUT THE SAME EVEN IF CEILING IS RAISED SINCE BUFFER STOCK HAS LITTLE TIN LEFT AND PRODUCERS HAVE DRAWN DOWN MOST OF THEIR PREVIOUSLY ACCUMULATED STOCKS. BOLIVIA NOW ONLY HOLDS NORMAL PIPELINE STOCKS AND INDONESIA WHICH HAD SOME STOCKS ALSO HAS SOLD OFF MOST OF WHAT IT HAD ON HAND. ZAIRE, MALAYSIA AND THAILAND HAD LOWER STOCKS AND INDEED PRODUCTION IN THESE COUNTRIES HAS FALLEN OFF, ACCORDING TO THIS SOURCE. THEREFORE THERE IS LITTLE TIN LEFT TO DEFEND A CEILING THAT IS TOO LOW ANYWAY; RAISING THE CEILING WOULD ALLOW PRICE TO FLUCTUATE IN NEUTRAL ZONE OF PRICE RANGE RATHER THAN NEAR CEILING AS AT PRESENT.

3. MINISTRY OFFICIAL SEEMED TO BE LARGELY UNINFORMED ABOUT PROBLEM REPORTED REFTTEL RELATED TO FILLING CHAIRMANSHIP OF ITC ADMINISTRATIVE COMMITTEE. HE SEEMED TO THINK IT WAS MORE A QUESTION OF PERSONALITIES AND WOULD BE IRONED OUT AT NEXT MEETING OF ITC. HE SAID THE QUESTION OF INDEXATION WOULD BE KEPT ALIVE ALTHOUGH BOLIVIA REALIZED IT WAS A COMPLEX MATTER THAT REQUIRES FURTHER STUDY. FINALLY HE SAID THE PLAN TO HAVE A SPECIAL MEETING IN BOLIVIA REGARDING COSTS OF TIN PRODUCTION HAS BEEN PUT OFF UNTIL MARCH OF 1978 BECAUSE GERMANY WANTS TO HOST AN ITC MEETING IN 1977 AND ALSO DUE TO THE COMPLEXITY OF THE ISSUE.

4. CARLOS ITURRALDE PROMINENT BOLIVIAN PRIVATE MINER SAID THAT HE WOULD ATTEND THE ITC MEETING IN LONDON ON OCTOBER 12 AS PART OF THE BOLIVIAN DELEGATION. HE CONFIRMED THAT BOLIVIA WOULD ASK FOR AN INCREASE IN THE ITC BUFFER STOCK FLOOR AND CEILING PRICES BUT SAID GOB HAD NOT YET DECIDED ON AMOUNT. HE SAID DUE TO CURRENCY DEVALUATIONS, IN REAL US DOLLAR TERMS THE FLOOR PRICE IS NOW LOWER THAN IT WAS IN JANUARY 1974 AND THE CEILING IS ONLY SLIGHTLY HIGHER. MEANWHILE THE COST OF BOLIVIAN MINING MACHINERY AND EQUIPMENT IMPORTS HAVE RISEN SIGNIFICANTLY. ITURRALDE SAID THAT SOME FORM OF INDEXATION MIGHT BE THE ULTIMATE ANSWER. HE SAID BOTH TEXAS GULF AND COPPER PASS USE AN INDEXING SYSTEM IN THEIR SMELTING CONTRACTS AND WHAT WORKED FOR THE US AND ENGLAND MIGHT ALSO WORK FOR THE ITC. HE ALSO WAS UNAWARE OF THE PROBLEMS MENTIONED IN REFTTEL REGARDING APPOINTMENT OF ADMINISTRATIVE COMMITTEE CHAIRMAN. APPARENTLY THE BOLIVIAN EMBASSY IN LONDON IS FOLLOWING THIS SITUATION BUT THE GOB HAS NO FIXED POSITION ON IT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LA PAZ 07645 242003Z

YET AND HE OPINED IT WOULD ALL BE WORKED OUT AT THE NEXT MEETING.

5. WHEN ASKED ABOUT TUNGSTEN, ITURRALDE SAID THAT THE PRIMARY TUNGSTEN ASSOCIATION WAS HAVING A MEETING ABOUT OCTOBER 11, TO STUDY THE REASONS FOR THE HIGH PRICE OF TUNGSTEN. HE SAID UNCTAD HAD SENT OUT A PAPER ON TUNGSTEN TO MEMBERS WHICH MIGHT SERVE AS A BASIS FOR A PRODUCER-CONSUMER AGREEMENT ON TUNGSTEN. HE

SAID THE PTA, IN SPITE OF RECENT CARTEL CHARGES, REMAINS IN
FAVOR OF FORMATION OF A PRODUCERS-CONSUMERS ORGANIZATION. HOW-
EVER, IF NOTHING COMES OF THE UNCTAD EFFORT HE OPINED THAT PTA
WOULD BECOME AN EVEN STRONGER ORGANIZATION THAN AT PRESENT AND
IT WOULD THEN BE HARDER TO PUSH IT TO CONVERT TO AN ORGANIZATION
INCLUDING CONSUMERS.
STEDMAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TIN, MEETINGS, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 24 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: coburnhl
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976LAPAZ07645
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760362-1131
From: LA PAZ
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760924/aaaaatzf.tel
Line Count: 122
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 LONDON 14947
Review Action: RELEASED, APPROVED
Review Authority: coburnhl
Review Comment: n/a
Review Content Flags:
Review Date: 19 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 MAY 2004 by MartinML>; APPROVED <10 SEP 2004 by coburnhl>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TIN THE ITC AND TUNGSTEN
TAGS: EMIN, BL, ITC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006